

§ 1980.65

third party actions that the borrower cannot or will not cure, the lender has the option of liquidate the loan under the provisions of this subpart, or under the provisions of previous regulations. The lender will notify the State Director in writing within 10 days after its decision to liquidate if it desires to proceed under this subpart.

(c) *Settlement option.* If a lender acquires title to property either through voluntary conveyance or foreclosure proceeding, FmHA or its successor agency under Public Law 103-354 may elect to permit the lender the option to calculate the final loss settlement using the net proceeds received at the time of ultimate disposition of such property. The lender must submit its written request for this option to FmHA or its successor agency under Public Law 103-354, and FmHA or its successor agency under Public Law 103-354 must agree, prior to the lender submitting any request for estimated loss payment.

[48 FR 30947, July 6, 1983, as amended at 50 FR 39886, Sept. 30, 1985; 58 FR 34308, June 24, 1993]

§ 1980.65 Protection advances.

Refer to paragraph XII of Form FmHA or its successor agency under Public Law 103-354 449-35, or for Farmer Programs Loans, §1980.136 of subpart B of this part.

[58 FR 34308, June 24, 1993]

§ 1980.66 Additional loans or advances.

Refer to paragraph XIII of Form FmHA or its successor agency under Public Law 103-354 449-35, or paragraph I.D.6.(b) of Form FmHA or its successor agency under Public Law 103-354 1980-38.

[58 FR 34308, June 24, 1993]

§ 1980.67 Bankruptcy.

(a) *Reference.* Refer to subparts B, C, or F of this part. Form FmHA or its successor agency under Public Law 103-354 449-30, "Loan Note Guarantee Report of Loss," will be used for calculations of all estimated and final loss determinations. Payments will be made in accordance with applicable FmHA or its successor agency under Public Law 103-354 regulations.

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(b) *Lender's option.* If a lender has made a loan or line of credit guaranteed by FmHA or its successor agency under Public Law 103-354 under previous regulations, and the borrower has filed for protection under a reorganization bankruptcy, the lender has the option of requesting an estimated loss payment under the provisions of this part.

[54 FR 1549, Jan. 13, 1989, as amended at 61 FR 67633, Dec. 23, 1996]

§ 1980.68 Lender's request to terminate Loan Note Guarantee or Contract of Guarantee.

If the Loan Note Guarantee has not automatically terminated the lender may request FmHA or its successor agency under Public Law 103-354 to terminate the Loan Note Guarantee(s) or Contract(s) of Guarantee, for any reason, provided the lender holds all the guaranteed portions of the loan. (See paragraph 12 of Form FmHA or its successor agency under Public Law 103-354 449-34, or paragraph 6 of Form FmHA or its successor agency under Public Law 103-354 1980-27.) The lender will provide the County Supervisor with a written notice that the loan(s) or line(s) of credit is (or are) paid in full and/or termination of the Loan Note Guarantee(s) or Contract(s) of Guarantee, enclosing the original Form(s) FmHA or its successor agency under Public Law 103-354 449-34 or Form FmHA or its successor agency under Public Law 103-354 1980-27 for cancellation. Within 30 days, the County Supervisor will forward a memorandum to the Finance Office through the State Director. The memorandum will indicate that: "the loan(s) or line(s) of credit is (or are) paid in full," and/or "the Loan Note Guarantee or Contract of Guarantee has been cancelled at the request of the lender."

[53 FR 26413, July 12, 1988. Redesignated at 54 FR 1549, Jan. 13, 1989, as amended at 61 FR 67633, Dec. 23, 1996]

§§ 1980.69—1980.79 [Reserved]

§ 1980.80 Appeals.

Only the borrower, lender and/or holder can appeal an FmHA or its successor agency under Public Law 103-354 decision. The borrower must jointly